**ODISHA ELECTRICITY REGULATORY COMMISSION**
**BIDYUT NIYAMAK BHAWAN**
**PLOT NO.-4, CHUNOKOLI, SHAILASHREE VIHAR**
**BHUBANESWAR - 751 021**
*** ** **

**Present:** **Shri U. N. Behera, Chairperson**
**Shri S. K. Parhi, Member**
**Shri G. Mohaptra, Member**

**Case No. 17/2020**

| | | |
|---|---|---|
| M/s. OPTCL | ……… | Petitioner |
| - Vrs. - | | |
| GRIDCO Ltd. & others | …....... | Respondents |

**In the matter of:** **Application under Regulation 7 of the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2014 for Truing up exercise for the FY 2018-19 and consideration of the cumulative short fall amount of Rs.145.55 Cr., less depreciation of Rs.18.76 Cr for FY 2016-17 & Rs. 29.44 Cr. in FY 2017-18 and for not consideration of Rs.66.49 Cr. as Miscellaneous income for assets received from customer for FY 2017-18.**

**For Petitioner:** Shri Kulamani Biswal, Advocate on behalf of OPTCL.

**For Respondent:** Shri L. K. Mishra, DGM (Fin.) R & P of GRIDCO Ltd., Shri Ramesh Chandra Satpathy, Secretary, National Institute of Indian Labour, Bhubaneswar, Shri Pratap Mohanty, GM(Fin), NESCO Utility, Shri K.C. Nanda, DGM (Fin), WESCO Utility, the representative of SOUTHCO Utility, Shri Anand Srivastav, Advocate on behalf of TPCODL and Shri Ananda Kumar Mohapatra are present during virtual court hearing. Nobody is present on behalf of M/s. FACOR Ltd., Shri Prakash Kumar Das, State Public Interest Protection Council, Cuttack, M/s. Grasim Industries Ltd., Shri Bijay Kumar Pradhan, Gram Panchayat Development Committee, Mendhasal, BBSR, NOCCI, M/s. Aditya Birla Chemicals (India) Ltd., UCCI, M/s. VISA Steel Ltd., M/s. Swain & Sons Power Tech Pvt. Ltd., M/s. Vedanta Limited, Sambalpur District Consumer Federation and M/s. Adhunik Metalicks Limited.

**ORDER**

**Date of hearing: 22.09.2020** **Date of order: 18.05.2021**

1. This petition has been filed by the Odisha Power Transmission Corporation Limited (OPTCL) towards truing up of expenses for FY 2018-19 relating to transmission tariff and other related matters.

2. The petitioner stated that as per **Regulation 7.1** (Truing up of Capital Expenditure and Tariff) of OERC (Terms and Conditions for Determination of Transmission Tariff)

Regulations, 2014 (in short 'Transmission Tariff Regulations, 2014'), OPTCL may file an application each year for truing up along with the tariff petition filed for the next tariff period and the Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period.

3. OPTCL in accordance with such Regulations has filed the truing up application for FY 2018-19 for which the audited accounts are available. The Truing up of annual fees and charges of SLDC Functions is to be carried out in terms of Regulation-4 of the OERC (Fees and Charges of State Load Despatch Centre and other related matters) Regulations, 2010 along with truing up of accounts of transmission business.

4. The petitioner OPTCL has stated that the Commission had approved the transmission tariff and charges for SLDC functions for FY 2018-19 vide its order on ARR dated 22.03.2018 as under.

**(Rs. In Crore)**

| Sl. No. | Particulars | Transmission Tariff | SLDC Function Charges |
|---|---|---|---|
| 1 | Employees Cost including Terminal Benefits | 360.40 | 6.45 |
| 2 | R & M Cost | 111.00 | 1.81 |
| 3 | A & G Cost | 26.44 | |
| 4 | Interest and financial charges | 40.20 | |
| 5 | Depreciation | 145.43 | 0.59 |
| 6 | Return on Equity | 69.75 | |
| 7 | Income tax | 4.16 | |
| 8 | GCC Expense including SLDC charges | 1.14 | |
| 9 | Incentive for system availability | 5.00 | |
| 10 | Rebate | 13.20 | |
| 11 | **Total-ARR** | **776.72** | **8.85** |
| 12 | Less Misc. Receipts | 116.77 | |
| 13 | **Annual Revenue Requirement to be recovered from LTOA Consumers (i.e. DISCOMs & CGPs)** | **659.95** | |

5. As per the Audited Accounts for FY 2018-19 the breakup of Profit and Loss Accounts towards Transmission Tariff component and SLDC Charges are as under:-

**(Rs. In Crore)**

| | Particulars | Notes | TOTAL | SLDC Component | Transmission Component |
|---|---|---|---|---|---|
| I | Revenue from operations | 27 | 713.84 | 11.86 | 701.98 |
| II | Other income | 28 | 164.27 | 0.01 | 164.26 |
| III | Total revenue (I + II) | | 878.11 | 11.87 | 866.24 |
| IV | Expenses | | - | | |
| | a-Employee benefits expense | 29 | 382.65 | 5.88 | 376.77 |
| | b-Finance costs | 30 | 74.27 | 0.08 | 74.19 |

| | Particulars | Notes | TOTAL | SLDC Component | Transmission Component |
|---|---|---|---|---|---|
| | c-Depreciation and amortisation expense | 31 | 229.14 | 0.51 | 228.63 |
| | d-Other expenses | | | | |
| | R&M Expenses | 32 | 115.66 | 0.53 | 115.13 |
| | A&G Expenses | 32 | 38.55 | 1.18 | 37.37 |
| | Total expenses (IV=a+b+c+d) | | 840.27 | 8.18 | 832.08 |
| V | Profit before tax (III - IV) | | 37.84 | 3.69 | 34.15 |
| VI | Total tax expense (VI) | | 0.13 | - | 0.13 |
| | Profit after tax (V - VI) | | 37.71 | 3.69* | 34.02 |

6. The petitioner has stated that as shown in the above table the surplus of Rs.3.69 crore has been transferred to SLDC development fund in line with the OERC (Fees & Charges of SLDC & other related matters) Regulations, 2010 and direction of the Commission.

7. The objectors also filed their objections to the petition of the OPTCL for the truing up of expenses for FY 2018-19. The objections are briefly discussed as below:

**Submissions of SOUTHCO and WESCO Utilities**

8. SOUTHCO and WESCO Utilities in their response to the petition of the OPTCL submitted that analysis of OPTCL Audited P&L accounts and Commission's approval help in understanding the actual position. SOUTHCO Utility further submitted that without going to item wise details of expenses, whether it is controllable or uncontrollable the surplus available for FY 2018-19 needs to be passed on to the DISCOM for onward adjustment in Retail Supply Tariff.

9. SOUTHCO Utility has stated that OPTCL has claimed additional depreciation of Rs.31.80 crore but the reason has not been explained. The audited accounts include depreciation amounting to Rs.51.40 Crore towards assets created through beneficiary & Government deposit schemes hence depreciation on such asset needs to be excluded. Therefore, considering the audited balance sheet where in details of Fixed assets are tabulated along with up-valuation effect in line with Commission’s approval the actual depreciation chargeable in the ARR of OPTCL would be Rs. 140.12 crore on the GFA of Rs. 2769.71 crore which is arrived after deduction of Up-valuation of assets of Rs.727.26 crore from the GFA of Rs.3489.4 crore shown in the audited accounts. Commission has already approved an amount of Rs.145.43 crore which is more than the actual audited figure. Hence, Rs.140.12 Crore needs to be considered for truing up.

10. SOUTHCO Utility further stated that the Commission has approved RoE as per OPTCL submission & based on sanction order of Government from time to time. Considering the sanction letter of Government till 26.02.2018 the equity infusion was Rs.450 crores. In subsequent year i.e. Fy 2019-20 & FY 2020-21, OPTCL has claimed equity infusion of Rs. 685 crore & Rs.799.70 crore on the basis of sanction letter of Government. Accordingly, Commission has recognized the same in the respective tariff year and allowed Return on Equity @ 15.5% per annum. Further, Return on Equity for the concerned financial year needs to be given on the opening balance as per Balance sheet. As per Audited A/Cs it is Rs. 510 crores. Excluding inheritance equity of Rs. 60.07 crore it would be Rs. 450 crore. Therefore, the Commission has correctly allowed return on equity for the year FY 2018-19 & needs no truing up.

11. On finance cost SOUTHCO Utility has stated that the Audited Interest & Finance Cost is Rs. 61.19 Crores which includes interest on Government Bond of Rs.26 Crores. Excluding the same the figure would be Rs.35.19 Crores. It is the claim of OPTCL that the interest on Bond which is being disallowed by Commission due to up-valuation effect, now state government is in the process of recovery of the principal as well as interest. However, till the date of filing of this truing up petition i.e. 7th July 2020, there is no such proof of payment submitted.

12. The Commission has been regularly disallowing the Bond interest due to up-valuation effect hence, the same should not be recognized as cost. Rather the excess interest and finance cost as allowed beyond actual of Rs.135.19 Crores needs to be trued up as surplus. Towards incentive for System availability and GCC expenses the Commission has allowed Rs. 5 Crore towards incentive cost for system availability. But, as per audited accounts no such expenses have been incurred by OPTCL towards the same, hence it may be treated as surplus. Similarly there was an approval of Rs.1.14 Crore towards GCC expenses which has not been incurred as per audited accounts. So the amount also needs to be taken as surplus.

13. On income tax SOUTHCO Utility has stated that the Commission had allowed Rs.4.16 Crores as pass through towards IT for the year FY 2018-19. The petitioner has claimed an amount of Rs. 8.15 Crores for the year FY 2018-19 as per audited accounts and prayed for truing up of differential amount of Rs. 3.99 Crores. As per Audited accounts the tax liability is "zero", factoring MAT receivable of Rs.8.15 crores. Hence, the claim of differential amount is not correct rather the amount of Rs. 4.16 crores as allowed by the Commission needs to be treated as surplus while truing up.

14. SOUTHCO Utility further submitted that as per the Audited accounts the other income is amounting to Rs.164.26 Crores. OPTCL is of the view that deferred income for asset received from customer amounting to Rs.54.88 crores and provision written back amounting to Rs.22.05 Crore not be taken into Consideration. The provision which was previously taken as cost and not happened/incurred would obviously be treated as income in the year when it is withdrawn and booked. Similarly the deferred income for asset receivable from customer is to be treated as other income as per audited accounts. The Commission has allowed Rs.116.77 towards other income and the actual is Rs.164.26 Crores this need to be taken into consideration while truing up.

15. SOUTHCO Utility submitted that OPTCL has bifurcated the revenue from operation into miscellaneous income and revenue from transmission charges. As per the submission Rs.58.72 Crores have been shown towards miscellaneous income and Rs.643.27 crores towards income from transmission charges. The total of the above two is Rs.701.98 Crores. As per Audited Accounts, revenue from operation is also appearing as Rs.701.98 Crores. Now, if Rs.58.72 Crores would be added with other income for truing up purposes then other income would be Rs.222.98 Crores (Rs.164.26 crore + Rs.58.72 crore) and revenue from transmission charges would remain as Rs. 643.27 crores.

**Submissions of Shri Ananda Kumar Mohapatra, Objector**

16. State Government and OERC are to hive off the functions of the State Transmission segment into three separate Parts by constituting two more separate 100% State Government Enterprises each one for State Grid Operation & Management & STU functions of OPTCL in the manner and as done by Union Government. The Commission is to direct the Petitioner to hive of the Transmission segments into three parts in line with the works done by Central Government.

17. It is apparent on the face of the record that SLDC is a cost centre but not a separate entity as envisaged in the Act. The Petitioner denies the allegation of not maintaining separate books of Account which is grossly wrong. If the Petitioner is true, then they are required to produce audited annual Financial Statement of SLDC for the FY 2018-19 but they have not produced it before the Commission. The above submission of the Petitioner is grossly wrong and cannot be accepted.

18. Certain directions had been given to the petitioner in the Transmission Tariff Order for FY 2018-19, which read that "*Odisha has been vulnerable to natural disasters mostly on account of cyclone and flood.............. Accordingly OPTCL has initiated procurement*

*action for 3 sets ERS (Emergency Restoration System), each set having 4 towers for its line length of more than 13363 ckt. kM."* After expiry of two years of the order, the Petitioner is yet to comply the directions of the Commission.

19. In the Tariff order for FY 2018-19, 26400 MU was approved by the Commission for transmission in the EHV Lines of OPTCL out of which the sale to DISCOMs was 25790 MU, wheeling to Industries by CGPs was 600 MU and Sale to CGPs by GRIDCO was 10 MU. But the Petitioner OPTCL has not disclosed any documents/reports supporting the actual business of Energy transmission in units, MU and MW in its Petition.

20. The Regulation 5.6 of the OERC (Terms & Conditions for Determination of Tariff) Regulations, 2014, states that "The Accounting Policy & Chart of Accounts shall be followed by the Licensee, as determined by the Commission from time to time". The Commission has not reviewed the above provision of regulation or notified any Accounting Policy & Chart of Accounts applicable for the Licensee OPTCL

21. Most of the expenditures/costs passed on in course of determination of Transmission Tariff and its counterpart projection in the Truing up Petition as per the audited Financial Statement for FY 2018-19 are Controllable in nature in pursuance to Regulation 6.3 of OERC (Terms & Conditions for Determination of Transmission Tariff) Regulations, 2014. The Commission may initiate necessary action to examine the above expenditures as projected in the Petition and determine the prudency and efficiency of the audited expenditures which find place in the financial statement proposed by the Petitioner OPTCL in course of truing up exercises and order.

22. The Depreciation is a controllable cost and is a non-cash item of expenditure. Depreciation is calculated as per the provisions of the Act & CERC & OERC Regulation on Straight line method and cross verified by the Commission over the Pre-up valued Gross Value of the Fixed Assets (GFA). The Assets added to the GFA from consumer's contribution (Deposit Works) are excluded from GFA while calculating the Depreciation. The Commission may issue necessary direction to the Petitioner so as to distinguish the year-wise addition of Fixed Assets into three heads such as, a) Assets created by the Petitioner, b) Assets added through Consumer Contribution & lastly c) Assets added through the grants sanctioned by Union & State Govt.

23. Auditor observed that the Petitioner has not provided details of the Assets added to the GFA every year. The year-wise Assets details added to the GFA are essential, to allow depreciation on the Assets. The Commission may direct the Petitioner to update the Asset

Registers after which the amount of depreciation proposed in the Petition for Truing up can be passed on.

24. It is found that a sum of Rs. 22.51 Cr has been excess charged on account of Depreciation over GFA in violation of the rules in force. The Commission may disallow the excess Depreciation of Rs. 22.51 Cr as claimed by the Petitioner in the instant Petition for truing up.

25. A sum of Rs. 3.69 Cr out of the profit after Tax of Rs. 37.71 Cr of the Petitioner OPTCL has been transferred to SLDC Profit after Tax account without any basis.

26. The Petitioner denies the Misc Receipt of Rs. 168.11 Cr reflecting in the audit report and states that the Misc Receipts is only Rs. 146.06 Cr after deducting a sum of Rs. 22.05 Cr on account of provision written back citing the reason that such is not Tariff Income. In comparison to the approval of the Commission, a surplus amount of Rs. 51.34 Cr is generated on account of Misc Receipts as per the audited financial statement of the Petitioner for the FY 2018-19. The net surplus of Rs. 51.34 Cr under the head Misc Receipts and shortfall of Rs. 16.68 Cr under the head revenue from operation may be summed up so as to arrive at net surplus of Rs. 34.66 Cr.

27. Petitioner has deployed more employees than approved by Commission and the business operation of the Petitioner is stagnant. The fact is that the Petitioner has failed to control the Employee Cost in comparison to its business operation.

28. HRA is a controllable cost as per the Regulation which has not been taken care of by the Petitioner. Therefore, the Commission may reject the excess amount of HRA claimed by the Petitioner and issue an order for prudent check.

29. The Petitioner has violated the direction of the Commission in the tariff Order wherein the Commission approved an amount of Rs.26.44 crore towards A&G expenses for the FY 2018-19 and further directed OPTCL to keep the A&G cost under control and in comparison to business volume. The Petitioner has not kept the A&G cost under control in comparison to business volume, and therefore, the excess amount of A&G cost claimed by the Petitioner may be rejected by the Commission.

30. The Commission may reject the claims of impairment loss and net loss on theft on the ground of inefficiencies and issue necessary order to the Petitioner to keep the A&G cost in control as per the business volume.

31. In the absence of growth of the business volume of the Petitioner, the controllable costs under Regulation 6.3 of OERC (Terms & Conditions of Determination of Transmission Tariff) Regulations, 2014 cannot be passed on more than the approval given by the Commission for the FY 2018-19.

32. A sum of Rs.1.25 Cr towards Staff Welfare Expenses as per the Note of the Financial Statement may be allowed and the excess amount claimed may not be allowed because this component of the cost is very much controllable.

33. The incentive for system availability is a job of SLDC part of the Licensee, so the cost may be considered for SLDC instead OPTCL in future.

34. The Commission may issue necessary directions to the Petitioner to submit year-wise data on de-Capitalisation of Assets.

**The Commission heard the petitioner and objectors in detail. The component wise expenses considered and allowed in this order are discussed as below:**

**Employee Cost and Terminal Benefits:**

35. The petitioner stated that the Commission allowed Rs.360.40 Cr. towards Employee Cost including Terminal Benefits for the FY 2018-19. As per the audited accounts for FY 2018-19, the Employee Cost is **Rs.382.65 Cr.** The approved amount vis-a-vis actual expenditure (as per audited accounts) are mentioned below:

**(Rs. Cr.)**

| **Particulars** | **Approved (Transmission tariff & SLDC charges)** | **Actual (Transmission & SLDC expenses)** | **SLDC (Actual)** | **Transmission (Actual)** |
|---|---|---|---|---|
| Salaries (Basic + Grade pay) | 151.29 | 177.04 | 4.41 | 172.63 |
| Dearness Allowance | 10.59 | 7.47 | 0.74 | 6.73 |
| House Rent Allowance | 9.00 | 14.66 | 0.24 | 14.42 |
| Other Allowance | 0.63 | 1.47 | 0.09 | 1.38 |
| Bonus | 0.01 | 0.06 | 0.00 | 0.06 |
| Stipend for MT | 5.50 | 3.59 | 0.03 | 3.56 |
| Out Source Engagement | 3.09 | 2.72 | 0.05 | 2.67 |
| Ex-Gratia | 5.00 | 5.46 | 0.08 | 5.38 |
| Staff welfare Expenses | 4.50 | 3.21 | 0.03 | 3.18 |
| Others (Medical, Honorarium, LTC, others etc.) | 3.51 | 6.25 | 0.13 | 6.12 |

| Particulars | Approved (Transmission tariff & SLDC charges) | Actual (Transmission & SLDC expenses) | SLDC (Actual) | Transmission (Actual) |
|---|---|---|---|---|
| Pension Fund, Gratuity Fund and Leave Fund (#) | 168.11 | 168.17 | - | 168.17 |
| Provident Fund (NP & NPS Contribution) | 9.01 | 8.56 | 0.08 | 8.48 |
| **Sub-Total** | **370.24** | **398.66** | **5.88** | **392.78** |
| Less : Employee Cost Capitalised | 9.84 | 16.01 | - | 16.01 |
| **TOTAL** | **360.40** | **382.65** | **5.88** | **376.77** |

# Includes Rs.21.12 crore towards Arrear pension for 7th Pay Commission.

36. The petitioner stated that the Commission allowed Rs.151.29 towards Basic and Grade Pay based on the actual cash outflow on Basic Pay + GP from April 2017 to November 2017 extrapolated to arrive at basic pay for FY 2018-19 anticipating 7th pay recommendations (assuming 2.57 times hike) with 3% annual Increment.

The actual Salaries (Basic + Grade Pay) for FY 2018-19 as per the audited accounts amounting to Rs.172.63 Cr. includes Rs.6.54 Cr. towards differential provision towards arrear salary on account of Pay revision. The Commission had not allowed any amount towards arrear salary towards 7th Pay & Wage Board revision in the ARR order for FY 2018-19. Therefore, the above amount Rs.6.54 Cr. may not be considered in true-up. The said amount will be trued up in the year in which Commission will allow the same.

37. The petitioner stated that for FY 2018-19, OPTCL had claimed an amount of Rs.146.99 Cr. towards gap of terminal liabilities between Actuarial Valuation and the amount that the Commission allowed from FY 2005-06 to FY 2017-18 and Rs.9.01 Cr. towards contribution to NPS. Accordingly, Commission allowed the above amount towards terminal benefit as proposed by OPTCL. OPTCL has transferred the entire amount on monthly basis to the Terminal Benefit Trusts such as Pension Trust, Gratuity Trust, Leave Trust and PF Trust.

38. The petitioner submitted that Regulation 8.9 of OERC Transmission Tariff Regulations, 2014 states as under:

*"Terminal Liabilities would be provided based on a periodic actuarial valuation to be made by the Commission in line with the prevailing Indian accounting standards".*

**As per IND AS-19** issued by MCA, employee benefit liabilities shall be assessed through actuarial valuation. The actuarial assumptions are required to measure the obligation and the expense and there is a possibility of actuarial gains and losses.

Moreover, the obligations are measured on a discounted basis because they may be settled over many years after the employees render the related service. Accordingly, OPTCL has been doing actuarial valuation availing the service of qualified Actuary every year.

39. Based on the report of Independent Actuary M/s. Charan Gupta Consultants Pvt. Ltd, OPTCL has made provision towards terminal liabilities in the statement of P&L A/c in each of the accounting period. In the FY 2018-19, OPTCL has made following provision towards terminal liabilities as under:-

| | |
|---|---|
| Pension: | Rs.156.49 Cr. |
| Gratuity: | Rs. 4.47 Cr. |
| Leave Encashment: | Rs. 7.21 Cr. |
| **Total** | **Rs.168.17 Cr.** |

40. As per the Actuarial Valuation, the corpus of the Terminal Liability as on 31.03.2019 ought to be Rs.2602.95 Cr. The Commission in the true-up order for the FY 2017-18 has allowed the terminal liabilities based on the Actuarial Valuation.

41. The actual expenditure toward employer's contribution in case of NPS and NP category is Rs.8.48 Cr. against approved amount of Rs.9.01 Cr. Hence, Rs.8.48 Cr. may be considered for true-up towards employer's contribution to NPS and NP.

In view of the above, the petitioner submitted that the Commission may consider Rs.175.65 Cr. (168.17+8.48) as Terminal Benefit for truing up for FY 2018-19 against the terminal benefit.

42. Petitioner therefore submitted that the total Employee Cost including Terminal Benefit of Rs.370.23 Cr. (376.77 – 6.54) may be considered in truing up for the FY 2018-19 against approved amount of Rs.360.40 Cr.. **The shortfall of Rs.9.83 Cr.** (370.23-360.40) **under this head** may accordingly be allowed.

43. The Commission analysed the said proposal of the petitioner. The Commission in the earlier true up exercise allowed the employee cost as reflected in the audited accounts. As regards the terminal benefit there is a surplus of Rs. 0.47 crore the difference between the amounts allowed in the ARR and what appears in the audited accounts. With regard to the other elements of the employee cost including the difference on Employee cost capitalized, the commission considers the shortfall between the amount allowed in the ARR and what appears in the audited accounts after deducting the expenses claimed towards 7$^{th}$ pay commission arrears. This calculation is indicated in the following table.

| Particulars | Approved in the ARR | Actual (audited) |
|---|---|---|
| Total Salaries, DA, HRA, Other Allowance etc. | 193.12 | 216.13 |
| Deduct claim on 7th pay arrear shown in the audited accounts | | 6.54 |
| Total Salaries allowed | 193.12 | 209.59 |
| Pension Fund, Gratuity Fund and Leave Fund | 168.11 | 168.17 |
| Provident Fund (NP & NPS Contribution) | 9.01 | 8.48 |
| Sub-Total | 370.24 | 386.24 |
| Less : Employee Cost Capitalised | 9.84 | 16.01 |
| TOTAL | 360.4 | 370.23 |
| **Difference allowed** | | **9.83** |

44. In total employee cost therefore after considering the surplus in terminal benefit and shortfall in other elements the Commission now allows the shortfall of Rs. 9.83 crore to OPTCL in this order.

**Repair & Maintenance (R&M) Expenses:**

45. The petitioner stated that the Commission allowed Rs.111.00 Cr. towards R&M Expenses in the Transmission Tariff Order for FY 2018-19 as against OPTCL's proposal of Rs.156.19 Cr. The extract of the observation of the Commission is as under:-

*" xxxx As per the OERC Transmission Regulation, the R&M expenses are allowed at the rate of 2.5% on opening GFA. The pre up valued assets as on 01.04.2018 is assessed as Rs.2919.97 crore. Accordingly the R&M expenses are calculated at Rs.73.00 crore. In addition to normal R&M expenses, the commission after analysis of past trend and in terms of Regulation allows additional R&M of Rs.38 crore. Therefore the total R&M approved is Rs.111.00 crore for the FY 2018-19."*

46. The Commission in Para 19 (page 6 of the True up order of OPTCL for the FY 2017-18 in Case No. 11/2019) allowed the R&M expenses on the basis of audited accounts as a part of truing up exercise.

47. As per the audited accounts for FY 2018-19, the R&M Expenditure is Rs. 115.66 Cr. as detailed below:

**Rs. In Crore**

| Particular | Actual | SLDC | Transmission |
|---|---|---|---|
| (i) Building | 13.88 | - | 13.88 |
| (ii) Plant and machinery | 66.68 | - | 66.68 |
| (iii) Lines cables and network assets | 27.48 | - | 27.48 |
| (iv) Electrical installations | 1.29 | 0.04 | 1.25 |
| (v) Vehicle | 0.12 | 0.00 | 0.12 |
| (vi) Office equipments | 3.83 | 0.49 | 3.34 |
| (vii) Other civil works | 2.38 | - | 2.38 |
| **TOTAL** | **115.66** | **0.53** | **115.13** |

48. The petitioner stated that in last seven years, 39 Nos. of Grid Sub-stations have been added (36% rise). Similarly, during the last seven year 556 nos. of bays have been added and 2,290.55ckt. km. of line of different voltage levels have been added. The petitioner therefore submitted to consider Rs.115.13 Cr. as R&M expenses against the approved amount of Rs.111.00 Cr. in the ARR application for FY 2018-19 in line with the Regulation 8.16. The deficit under this head is **Rs. 4.13 Cr.** (115.13 -111.00).

49. The Commission allows the repair and maintenance expenses as per the actual expenses made by the OPTCL for upkeep of the line and network. The Commission after scrutiny allows the additional expenses of Rs. 4.13 crore in this truing up order for FY 2018-19.

**Administration & General (A&G) Expenses:**

50. The petitioner submitted that the Commission allowed Rs. 26.44 Cr. towards A&G Expenses in the Transmission Tariff Order for FY 2018-19. Further, the Commission in the Transmission Tariff Order for FY 2018-19 has allowed Rs.1.14 crore towards GCC expenses and SLDC charges (Rs.34 lakhs GCC expense + Rs.80 lakhs SLDC charges).

51. The petitioner submitted that as per the audited accounts for FY 2018-19, the A&G Expenses is Rs.38.55 Cr. The details are as under:

**(Rs. In Crore)**

| Sl No. | Description | Actual | SLDC | Transmission |
|---|---|---|---|---|
| 1 | Power and fuel consumed | 1.87 | 0.40 | 1.47 |
| 2 | Hire charges on vehicle | 8.85 | 0.13 | 8.72 |
| 3 | Legal and professional fees | 2.20 | 0.05 | 2.15 |
| 4 | Rent | 2.32 | - | 2.32 |
| 5 | Watch and ward expenses | 2.93 | 0.24 | 2.69 |
| 6 | License and other fees | 2.09 | - | 2.09 |
| 7 | Rates and taxes | 0.30 | - | 0.30 |
| 8 | Insurance charges | 0.03 | 0.00 | 0.03 |
| 9 | Fees and subscription | 0.02 | - | 0.02 |
| 10 | Advertisement for tenders | 1.28 | - | 1.28 |
| 11 | Corporate social responsibility expenses | 0.70 | - | 0.70 |
| 12 | Impairment loss recognised on non-financial assets | 4.28 | - | 4.28 |
| 13 | Net loss on theft of material and others | 4.27 | - | 4.27 |
| 14 | Travelling expenses | 2.46 | 0.13 | 2.33 |
| 15 | Communication expenses | 0.75 | 0.02 | 0.73 |
| 16 | Office maintenance charges | 0.48 | 0.03 | 0.45 |
| 17 | Auditors remuneration and out-of-pocket expenses | 0.11 | - | 0.11 |
| 18 | Other General expenses | 3.61 | 0.18 | 3.43 |
| | **TOTAL** | **38.55** | **1.18** | **37.37** |

52. The petitioner stated that as seen from the above table out of Rs, 37.37 Cr., Rs. 28.82 Cr. are the expenditures towards Insurance, Rates & Taxes, Hire Charges of vehicle, Telephone & Internet Charges, Printing & Stationery, Security and other Personnel (Watch & Ward Expenses), Postage & Telegram charges, Rent, Advertisement, Electricity & Water Charges, Legal/Consultancy charges, Travelling expense, Professional Fees, Office Maintenance etc. which are generally considered as A&G Expenses.

53. Besides, expenditures like impairment loss recognised on non-financial assets and loss of material amounting to Rs. 8.55 Cr. are also accounted for under A&G Expenses.

54. The petitioner stated that vide Govt. of Odisha Gazette Notification dated 19.02.2018 the annual license fee has been amended for the Transmission Licensee from Rs.1.50 crore to Rs.1.90 crore.

55. The Commission in the tariff order approved A&G Expenses as under:-

*"The Commission approved an amount of Rs. 26.44 crore towards A&G expenses for the FY 2018-19. The Commission also directs OPTCL to keep the A&G cost under control and in comparison to business volume. The additional licensee fees of Rs.40.00 lakh (Rs. 1.90 crore – Rs. 1.50 crore now allowed) shall be passed to OPTCL in truing up exercise of OPTCL."*

The petitioner therefore submitted to consider the license fee for the Transmission Licensee as **Rs.1.90 Cr.** under A&G Expenses in truing up for the FY 2018-19.

56. The petitioner submitted expenditure incurred towards some of the major components apart from the normal A&G expenses the details of which are given below:

**Hire Charges on Vehicle:** The running expenses of departmental vehicles are not cost effective. OPTCL is also facing acute shortage of regular drivers for operating the departmental vehicles for official purposes. As an alternative arrangement and to save the cost OPTCL has hired vehicles from the outside agencies. If OPTCL goes for appointing permanent drivers, the salary etc. for them will be charged under Employee Cost. But in case of hired vehicles, hired charges will be under A&G Expenses. With addition of new Divisions/ Circles/Zones to cope with the increased activities, this cost has increased and is not comparable to WPI change.

The petitioner therefore submitted that the Commission may consider the Hire Charges on vehicles of **Rs. 8.72 Cr.** under A&G Expenses in truing up for the FY 2018-19.

**Watch & Ward Expenses:** If OPTCL goes for appointing the regular employees for watch & ward activities of its assets, the expense will be booked under Employee Cost.

Due to shortage of manpower and in order to save cost, OPTCL has hired the service of outside security agency and paid Rs. 2.69 Cr. during FY 2018-19 towards Watch & Ward Expenses booked under A&G Expenses. The petitioner therefore submitted that the Commission may consider the Watch & Ward Expenses amounting **Rs.2.69 Cr.** under A&G Expenses in truing up for the FY 2018-19.

The petitioner submitted that an amount of **Rs.2.32 Cr.** has been provided towards ground rent and cess payable on Free Hold/ Lease Hold Land on the basis of book value in place of Market Value, as the same is subject to receipt of demand notice from the respective Tahasildar, Govt. of Odisha. The petitioner therefore submitted that the Commission may consider the said amount under A&G Expenses in truing up for the FY 2018-19 separately without linking with the WPI.

Loss of materials & Others: The petitioner submitted that the cost of material lost amounting to **Rs.4.27 Cr.** is provided in the accounts during the year based on technical evaluation report. The Commission may therefore consider the said amount under A&G Expenses in truing up for the FY 2018-19 without linking with WPI.

57. The petitioner submitted that since there is no separate account head for GCC expenses, all the expenditure made under this head are accounted for in A&G expenses.

58. The petitioner submitted that as per the approved tariff for SLDC charges, OPTCL has paid SLDC charges on monthly basis to SLDC. On the other hand SLDC has accounted the same as income under SOC/MOC charges. Therefore, the net impact is zero.

59. The petitioner submitted that as per the Regulation 8.14 of Transmission Tariff Regulations, 2014 for OPTCL the Commission shall allow A&G expenses by giving an escalation factor equal to WPI over the amount approved by the Commission in the previous year. Accordingly, the Commission allowed additional Rs.0.64 Cr.(22.09-21.47) over the previous year which is 2.90%. The petitioner submitted that with increase in no. of sub-stations and divisions the A&G expenses will increase proportionately therefore, the A&G expenses is always on higher side in comparison of OERC approval.

60. The petitioner therefore submitted that in view of the submission made above and expenses incurred against small items, the total A&G Expenses amounting to Rs.37.37 Cr. may be considered in truing up for the FY 2018-19 against approved amount of Rs. 27.58 Cr. The shortfall under this head is Rs.9.79 Cr. (37.37-27.58).

61. The Commission analysed the additional expenses claim of Rs. 9.79 crore under the head A&G Expenses which is the difference between what appears in the audited accounts and

approval in the ARR (Rs. 37.37- Rs. 27.58). The Commission observes that the A&G expenses are controllable in nature and OPTCL must make these expenses prudently. The Commission allowed the A&G Expenses in the ARR for FY 2018-19 based on such principles and the Commission is not inclined to allow any additional expense under this head for FY 2018-19 in this truing up exercise.

**Depreciation:**

62. The petitioner stated that the Commission allowed an amount of Rs.145.43 Cr. towards depreciation in the Transmission Tariff Order for FY 2018-19. As per the audited accounts for FY 2018-19, the depreciation and amortization expenses is Rs. 229.14 Cr. which is calculated on straight line method as per the rates as well as methodology notified under the Electricity Act, 2003. The details are as under:

| Sl. No. | Description | Actual | SLDC | Transmission |
|---|---|---|---|---|
| 1 | Amortisation of leasehold assets | 1.57 | - | 1.57 |
| 2 | Depreciation on Buildings | 3.63 | - | 3.63 |
| 3 | Depreciation On Electrical Installation | 0.20 | 0.02 | 0.18 |
| 4 | Depreciation on Other civil works | 1.03 | 0.00 | 1.03 |
| 5 | Depreciation on Plant and Machinery | 138.11 | 0.01 | 138.10 |
| 6 | Depreciation on Lines, Cable Network etc. | 78.34 | 0.00 | 78.34 |
| 7 | Depreciation on Vehicles | 0.10 | 0.00 | 0.10 |
| 8 | Depreciation on Furniture and Fixtures | 0.33 | 0.01 | 0.32 |
| 9 | Depreciation on Office Equipment | 3.51 | 0.47 | 3.04 |
| 10 | Amortisation of Computer Software | 2.32 | - | 2.32 |
| | **TOTAL** | **229.14** | **0.51** | **228.63** |

63. The petitioner stated that the depreciation on Transmission Activities is Rs.228.63 crore which includes Rs. 51.40 Cr. towards the depreciation made on account of assets created by the beneficiary and Govt. on deposit work basis. The net depreciation against OPTCL own assets is Rs. 177.23 Cr. (228.63-51.40). Further, the above amount includes Rs.1.57 Cr. towards lease rent paid against the land acquired for substation on lease from the State Govt.

64. The petitioner submitted that the depreciation needs to be calculated as per the Regulations quoted below:

Regulation 8.38 of OERC Transmission Tariff Regulations, 2014 states as under:

*"For STU (OPTCL), Depreciation shall be calculated for each year of the Control Period, on the original book value of the assets considering applicable depreciation rate as determined by the Commission from time to time."*

Further, as per the **Regulation 8.34** of the said Regulations, "*Depreciation shall be calculated annually based on Straight Line Method and at rates as specified in Appendix-A to these regulations.*"

65. The petitioner stated that the Commission in the tariff order observed that the OPTCL has adopted Ind-AS system of accounting. As reported in the said audited accounts the deemed cost of Assets as on 31.03.2017 is 3042.57 crore. However the Commission in the last Tariff order approved the Total Assets of OPTCL as on 31.03.2017 to the tune of Rs. 4086.91 crore. Therefore, now the asset value has been reduced by Rs. 1044.34 crore due to the implementation of Ind- AS system of accounting.

66. The petitioner submitted that the Ministry of Corporate Affairs (MCA) by way of notification dated February 16, 2015 notified the Companies (Indian Accounting Standards) Rules, 2015 effective from 1st of April 2015. Accordingly, by the provision of this notification OPTCL has implemented the IND-AS w.e.f. 01.04.2016.

**Under Ind AS- 101:- First-time Adoption of Indian Accounting Standards**

*"A first-time adopter may elect to use a previous GAAP revaluation of an item of property, plant and equipment at, or before, the date of transition to Ind ASs as deemed cost at the date of the revaluation, if the revaluation was, at the date of the revaluation, broadly comparable to*:

*(a) fair value; or*

*(b) cost or depreciated cost in accordance with Ind ASs, adjusted to reflect, for example, changes in a general or specific price index*

67. The petitioner stated that as per the definition "**Deemed Cost"** is an amount used as a surrogate for cost or depreciated cost at a given date. Subsequent depreciation or amortisation assumes that the entity had initially recognised the asset or liability at the given date and that its cost was equal to the deemed cost. Therefore, it is clarified that for OPTCL calculation, Deemed cost as mentioned in the audited accounts is the Net Fixed Assets Value (i.e. Gross Fixed Assets net of accumulated depreciation) as on 01.04.2015 and subsequent addition thereafter. In view of the above changes in the Companies Act and Adoption of IND AS the Property, plants and equipment in the Financial Statement has been shown as Deemed Cost with effect from 1.4.2015. Therefore, the Deemed Cost as shown in the Financial Statement should not be considered as Gross Fixed Assets (i.e original book value of the assets) to comply the Regulation 8.38 of OERC Transmission Tariff Regulations, 2014.

68. The petitioner stated that the depreciation cost is not considered in audited accounts but on book value of the assets. However, in ARR depreciation is allowed on deemed cost less up-valuation effect which is not correct.

69. The petitioner further submitted that in Para 238 ,239 & 241 page No- 68 & 69 of the ARR for the FY 2017-18 the Commission observed as under:-

*"238. The Commission has extensively dealt with the valuation of assets and calculation of depreciation in Para 5.36.1 to 5.37.5 of tariff order dated 23.6.2003 and treated transmission asset base of undivided GRIDCO at Rs.514.32 crore as on 01.4.1996.*

*The gross fixed assets as on 01.04.96 and year-wise asset addition thereafter till FY 2016-17 is depicted in table below.*

| **Year** | **(Rs In Cr)** |
|---|---|
| **GFA as on 1.4.1996** | **Rs. 514.32 (Pre up-valued)** |
| 1996-97 | 49.46 |
| 1997-98 | 39.94 |
| 1998-99 | 62.50 |
| 1999-00 | 111.79 |
| 2000-01 | 134.10 |
| 2001-02 | 86.44 |
| 2002-03 | 132.17 |
| 2003-04 | 69.46 |
| 2004-05 | 71.72 |
| 2005-06 | 158.91 |
| 2006-07 | 144.23 |
| 2007-08 | 206.10 |
| 2008-09 | 142.72 |
| 2009-10 | 188.49 |
| 2010-11 | 189.80 |
| 2011-12 | 135.58 |
| 2012-13 | 219.48 |
| 2013-14 | 196.74 |
| 2014-15 (Audited) | 153.06 |
| 2015-16 (Audited) | 636.59 |
| **Sub-Total** | **3643.60** |
| Less Asset of beneficiary as on 31.03.2016 as per Audited Account | 193.28 |
| Gross Asset as on 01.04.2016 | 3450.32 |
| Addition for the FY 2016-17 approved by the Commission | 636.59 |
| **Total asset as on 01.04.2017** | **4086.91** |

*239. In view of the directions and order of the High Court of Odisha, the depreciation for the purpose of determination of ARR and Tariff has to be calculated on the basis of Pre-92 rates on the original book value of assets (i.e. after rolling back the effect of revaluation of 1996 from the value of the assets).*

*241. Accordingly, Commission approves an amount of Rs.130.76 crore towards depreciation for the FY 2017-18."*

70. The petitioner in this regard submitted that the Commission has already approved the Gross Fixed Assets (GFA) as on 01.04.2017 as Rs.4086.91 not considering the up-valuation effect as on 01.04.1996 and addition of fixed assets thereafter based on the

audited accounts. The same principle should be followed for the FY 2018-19 and in future years also. It is submitted that OPTCL has added assets net of Rs. 446.88 Cr and Rs.648.95 Cr. in the FY 2017-18 and 2018-19 respectively. Accordingly, deprecation should be allowed in line with above principles followed since FY 1996-97.

71. The petitioner submitted that the Commission in Para 226 to 235 page No-60 & 63 of the ARR for the FY 2016-17 followed the same principle and approved an amount of Rs.112.42 crore towards depreciation for the FY 2016-17. Further, after the adjustment of Rs.10.97 crore (excess depreciation allowed during 2015-16) the net Depreciation allowed Rs.101.45 Crore as pass through in the ARR of 2016-17.

72. The petitioner submitted that the order dtd. 03.07.2018 (Case No.05/2018) and dtd. 05.11.2019(Case No.11/2019) against the true-up application for the FY 2016-17 & 2017-18 the Commission did not follow the above principle and reduced the depreciation to Rs.82.69 crore & Rs.101.32 crore against the approved amount of Rs. 101.45 crore and Rs. 130.76 crore for the FY 2016-17 & 2017-18 respectively.

73. The petitioner submitted that keeping in view the order of the High Court of Odisha, the depreciation for the purpose of determination of ARR and Tariff were calculated on the basis of Pre-92 rates on the original book value of assets (i.e. after rolling back the effect of revaluation of 1996 from the value of the assets) upto FY 2017-18, which were always lesser than the actual depreciation as per the audited accounts of OPTCL. The Details of actual depreciation and the amount approved by the commission from FY 2005-06 to FY 2017-18 are as under.

| Year | Depreciation As per Audited Accounts | Depreciation allowed by the Commission | Difference |
|---|---|---|---|
| 2005-06 | 95.27 | 49.77 | 45.50 |
| 2006-07 | 98.64 | 43.51 | 55.13 |
| 2007-08 | 108.54 | 48.10 | 60.44 |
| 2008-09 | 109.82 | 61.62 | 48.20 |
| 2009-10 | 108.03 | 66.07 | 41.96 |
| 2010-11 | 122.34 | 76.60 | 45.74 |
| 2011-12 | 125.68 | 79.42 | 46.26 |
| 2012-13 | 157.03 | 78.57 | 78.46 |
| 2013-14 | 115.10 | 89.40 | 25.70 |
| 2014-15 | 118.82 | 92.71 | 26.11 |
| 2015-16 | 141.00 | 107.48 | 33.52 |
| 2016-17 | 176.39 | 82.69 | 93.70 |
| 2017-18 | 156.66 | 101.32 | 55.34 |
| **Total** | **1633.33** | **977.26** | **656.07** |

74. The petitioner therefore submitted that considering the above the Commission may consider Rs. 177.23 Cr. towards Depreciation in the truing up for the FY 2018-19. **The shortfall under this head is Rs. 31.80 Cr.** (177.23-145.43).

75. The petitioner further stated that the depreciation is one of the components from where OPTCL has to meet its debt repayment obligation as well as to generate funds for financing future capital projects. The OPTCL has initiated construction of large number of projects for strengthening the transmission network and providing quality power under own funding. These projects require huge internal cash flow and depreciation is one of the resources.

76. The Commission analysed the submissions of the OPTCL regarding allowance of additional expenses towards depreciation of Rs.31.80 crore (Rs. 177.23 (audited) - Rs.145.43 (approved in ARR)) in this truing up petition. The petitioner has submitted that the Cost or Deemed cost as shown in the audited accounts is not the actual cost which are revised after adoption of the IND-As accounting system as per the Ministry of Corporate Affairs (MCA) dated February 16, 2015 notification of the Companies (Indian Accounting Standards) Rules, 2015 effective from 1st of April 2015. OPTCL submitted that the Deemed Cost as shown in the Financial Statement should not be considered as Gross Fixed Assets (i.e. original book value of the assets) to comply the Regulation 8.38 of OERC Transmission Tariff Regulations, 2014. The petitioner stated that the depreciation cost is not considered in audited accounts but on book value of the assets.

77. The Commission after analysis of the audited accounts found that the Total Tangible Assets as on 31.03.2018 are shown at Rs. 3489.45 crore which was also considered while determining the depreciation in the ARR for FY 2018-19. The Commission is not inclined to accept the submission of the OPTCL that Deemed cost as shown in the financial statements should not be considered as Gross Fixed Assets. The Commission considers the Total Tangible Assets as shown in the audited accounts as the assets for determination of depreciation in this truing up order. Accordingly after such computation no additional expense on depreciation is allowed by the Commission for FY 2018-19 in this truing up exercise.

**Finance Cost:**

78. The petitioner stated that the Commission allowed Rs.40.20 Cr. towards interest in the Transmission Tariff Order for FY 2018-19. Interest on Govt. Bonds amounting to Rs.26 crore are not allowed as per the order of the commission due to up valuation effect.

79. The petitioner stated that as per the audited accounts for FY 2018-19, the net interest is Rs. 61.19 Cr. after capitalisation of Rs.2.50 Cr. This includes interest on Govt. Bond Rs.26.00 crore. The State Govt. is now in a process to recover the Principal as well as interest component.

80. The petitioner stated that the Commission may therefore consider **Rs. 61.19 Cr.** toward Finance Cost in the truing up for FY 2018-19 against approved amount Rs. 40.20 Cr. **The Shortfall under this head is Rs.20.99 Cr.** (61.19-40.20)

81. The Commission analysed Finance Cost in the books of Accounts and it is observed that the total cost shown is Rs 76.77 crore out of which Rs. 26.00 crore is towards Government bond and Rs. 13.08 crore is towards Rebate to consumers. The Commission in determination of tariff is not allowing the Finance cost on the Government bonds and therefore such cost of Rs. 26 crore is excluded in determination of Finance cost in this truing up exercise. Rebate to consumers is also excluded as it is dealt separately. Accordingly the Commission in this truing up exercise allows Rs. 37.69 crore as the Finance Cost against Rs. 40.20 crore allowed in the ARR and consequent surplus of Rs.2.51 crore in this head.

**Rebate**

82. The petitioner stated that the Commission allowed Rs.13.20 Crore towards rebate in the Transmission Tariff Order for FY 2018-19. As per the audited accounts for FY 2018-19, the rebate is Rs. 13.08 Crore of which Rs.0.08 crore related to the SLDC.

83. The petitioner therefore submitted that the Commission may consider **Rs.13.00 Cr.** toward Finance Cost in truing up for the FY 2018-19 against approved amount Rs.13.20 Cr. **The surplus under this head is Rs.20 lakhs** (13.20- 13.00).

84. The Commission after analysis approves a surplus of Rs. 20 lakhs against the expense Rebate in this truing up.

**Incentive for System Availability**

85. The petitioner submitted that the Commission in the Transmission Tariff Order for FY 2018-19 has allowed Rs.5.00 Cr. towards incentive for System Availability. The petitioner therefore submitted that the said amount may be considered in truing up for the FY 2018-19.

The Commission after analysis allows no differential amount under the Head Incentive for System Availability.

**Return on Equity (RoE)**

86. The petitioner submitted that the Commission approved RoE of Rs.69.75 Cr. @ 15.5% on equity value of Rs.450 Cr. infused by the State Govt. up to FY 2017-18 in the Transmission Tariff order for FY 2018-19.

87. The petitioner submitted that as per the Audited Accounts for the FY 2018-19 the total Equity Capital is Rs.790.07 crore. The total equity infused by the State Govt. up to FY 2018-19 excluding equity of Rs.60.07 Cr. inherited by OPTCL at the time of demerger of GRIDCO into GRIDCO and OPTCL.

**Details of Equity Capital infused by the State Govt. in OPTCL upto FY 2018-19**

| Sl. No. | Sanction Order No. and Date | Amount (Rs. Cr.) |
|---|---|---|
| 1 | 1.R&R-I-01/2009-3560 dt.25.03.09 | 23.04 |
| 2 | 2.R&R-I-01/2009-2003 dt.24.02.09 | 0.01 |
| 3 | 3.R&R-I-01/2009-9464 dt.11.09.09 | 5.00 |
| 4 | 4.R&R-I-01/2009-4826 dt.01.06.10 | 20.00 |
| 5 | 5.R&R-I/73/2010-2438 dt.23.03.2011 | 51.95 |
| 6 | 6.R&R-6/12-685 dt.31.01.2012 | 1.00 |
| 7 | 7.R&R-6/12-690 dt.31.01.2012 | 39.00 |
| 8 | 8.R&R-6/12-695 dt.31.01.2012 | 3.00 |
| 9 | 9.R&R-6/12-629 dt.22.01.2013 | 25.76 |
| 10 | 10.R&R-6/12-634 dt.22.01.2013 | 16.60 |
| 11 | 11.R&R-6/12-624 dt.22.01.2013 | 7.64 |
| 12 | 12.R&R-6/12-5693 dt.18.07.2013 | 29.19 |
| 13 | R&R-6/12-5698 dt.18.07.2013 | 11.97 |
| 14 | R&R-6/12-5703 dt.18.07.2013 | 8.84 |
| 15 | R&R-69/14-10445 dt.29.12.2014 | 10.50 |
| 16 | R&R-69/14-10450 dt.29.12.2014 | 27.50 |
| 17 | R&R-69/14-10455 dt.29.12.2014 | 12.00 |
| 18 | R&R-69/14-6823 dt.06.08.2015 | 19.68 |
| 19 | R&R-69/14-6818 dt.06.08.2015 | 17.22 |
| 20 | R&R-69/14-6813 dt.06.08.2015 | 20.03 |
| 21 | BT(P)-15/15-10291 dt.21.12.2015 | 0.07 |
| 22 | R&R-69/14-5364 dt.18.7.2016 | 10.00 |
| 23 | R&R-69/14-5369 dt.18.7.2016 | 20.00 |
| 24 | R&R-69/14-5374 dt.18.7.2016 | 20.00 |
| 25 | BT(P)-04/2018/En-1786 dt. 26.02.18 | 15.00 |
| 26 | BT(P)-04/2018/En-1791 dt. 26.02.18 | 20.00 |
| 27 | BT(P)-04/2018/En-1796 dt. 26.02.18 | 15.00 |
| 28 | R&R -54/2015/En-5458 dt. 23.06.15 | 20.00 |
| 29 | R&R -54/2015/En-737 dt. 28.01.16 | 10.00 |
| 30 | R&R -54/2015/En-4348 dt. 07.06.16 | 20.00 |
| 31 | R&R -54/2015/En-466 dt. 17.01.17 | 60.00 |
| 32 | R&R -17/2017/En-2895 dt. 22.04.17 | 20.00 |
| 33 | R&R -17/2017/En-10216 dt. 27.12.17 | 50.00 |
| 34 | R&R -40/2018/En-3902 dt.28.04.2018 | 15.00 |

| Sl. No. | Sanction Order No. and Date | Amount (Rs. Cr.) |
|---|---|---|
| 35 | R&R -40/2018/En-4632 dt.24.05.2018 | 40.00 |
| 36 | BT(P)-04/2018(pt)-10432/En dt. 19.12.2018 | 15.00 |
| 37 | BT(P)-04/2018(pt)-10439/En dt. 19.12.2018 | 15.00 |
| 38 | BT(P)-04/2018(pt)-10446/Endt. 19.12.2018 | 15.00 |
| | **Total** | **730.00** |

88. The petitioner therefore submitted that the Commission may allow Return on Equity amounting of Rs.113.15 Cr. (i.e. @ 15.5% on Rs. 730 Cr.) as per the Regulation 8.28 of the Transmission Tariff Regulations, 2014. **The shortfall under this head is Rs. 43.40 Cr.** (113.15-69.75).

89. The Commission allows Return on equity at the rate of 15.5% on the Equity capital as per the Regulation. The Commission allowed ROE of Rs. 69.75 crore on the Equity base of Rs. 450 crore as claimed in the ARR for FY 2018-19. However OPTCL has now claimed an equity base of Rs. 730 crore as per the table detailing Equity Capital infused by the State Govt. in OPTCL upto FY 2018-19 at para 87. Accordingly an amount of Rs. 113.15 crore is allowed as claimed by the petitioner against the RoE of Rs. 69.75 crore allowed in the ARR thereby approving a shortfall of Rs. 43.40 crore in this truing up exercise.

**Income Tax**

90. The petitioner submitted that as per the Regulation 8.43 of OERC Regulations, 2014, Income tax of the Transmission Licensee shall be recovered from the beneficiaries. In this regard OPTCL proposed Rs.6.07 Cr. (booked in the audited accounts for FY 2016-17) for consideration in ARR application for FY 2018-19.

91. The petitioner submitted that the Commission in the Transmission Tariff Order for FY 2018-19 allowed the actual income tax expenses of **Rs.4.16** crore booked in the audited accounts by OPTCL for FY 2016-17 as a pass through in the ARR of 2018-19 as against their claim of Rs. 6.07 crore.

92. The petitioner submitted that as per the Audited accounts Income Tax for the FY 2018-19 is calculated as Rs.8.15 Crore. The Commission may consider **Rs. 8.15 Cr.** in truing up as a pass through towards actual income taxes for the FY 2018-19. **The shortfall under this head is Rs. 3.99 Cr.** (8.15-4.16).

93. The Commission after analysis allows **shortfall of** Rs. 3.99 crore under the head Income tax in this truing up exercise.

**Other Income**

94. The petitioner submitted that the OPTCL had proposed an amount of Rs. 50 Cr. towards Misc. Receipt from inter-state wheeling, intra-state short term open access, inter-state short term open access, STU charges received from Energy Exchange and supervision charges. The Commission approved Rs. 116.77 Cr. towards Misc. Receipts comprising Interstate Wheeling, STOA, STU charges from energy exchange, Supervision Charges and others in the Transmission Tariff Order for FY 2018-19.

95. The petitioner submitted that as per the audited accounts for the FY 2018-19 following income have been recognized as Misc. income via-a-vis approved by the Commission.

i. **Revenue from Operation (Note-27)**

| Sl. No. | Narration | Rs. Cr. |
|---|---|---|
| 1 | Revenue from Transmission charges -inter state | 10.08 |
| 2 | Transmission charges due to trading in power exchange (IEX/PXIL) | 23.57 |
| 3 | Revenue from Wheeling / Short term open access Charges -inter-state | 23.44 |
| 4 | Other Operating Revenue | 1.63 |
| | **Total** | **58.72** |

**ii. Other Income (Note-28)**

| Sl. No. | Narration | Rs. Cr. |
|---|---|---|
| 1 | Interest on term deposits/ fixed deposits | 26.61 |
| 2 | Interest on Staff Loans and Advances | 1.78 |
| 3 | Interest on Advances to Suppliers/Contractors | 0.30 |
| 4 | interest received on refund of income tax | 2.91 |
| 5 | Sale of Scrap (Sale proceeds since no cost is assigned to scrap) | 14.86 |
| 6 | Other Miscellaneous Income | 18.83 |
| 7 | Supervision charges/Implementing Agency Charges | 22.05 |
| | **TOTAL** | **87.34** |

**Total i+ii = Rs. 146.06 Cr.**

96. The petitioner submitted that the Deferred Income Rs.54.88 Cr. has already been adjusted against Depreciation. Besides, there are other non-tariff incomes such as Provision Written Back (Rs. 22.05 Cr.), which is not to be considered for true-up. Similarly, SLDC operating charges booked under the head Other Operating Income amount to Rs.11.86 Cr. not to be considered for true-up.

97. The petitioner therefore submitted that the Commission may consider **Rs. 146.06 Cr.** as Misc. Receipts against the approved amount of Rs.116.77 Cr. in truing up for the FY 2018-19. **The surplus under this head is Rs.29.29 Cr.** (146.06-116.77).

98. Commission analysed the other income from the audited accounts it has an income of Rs. 164.27 crore as on 31.03.2019 as shown in the following table.

| | | |
|---|---|---|
| (a) | Interest Income from | |
| | - Bank deposits | 26.61 |
| | - Loans to employees and suppliers | 1.78 |
| | - Advance to suppliers | 0.3 |
| | - Interest on Income tax return | 2.91 |
| (b) | Deferred income for Government Grant | |
| (c) | Deferred income for asset received from customer | 54.88 |
| (d) | Net gain(loss) on disposal of property, plant and equipment | 14.86 |
| (e) | Provision written back | 22.05 |
| (f) | Employee Trust Provision Withdrawn | 0 |
| (g) | Writing Back of provision/Liabilities | |
| (h) | Supervision charges of ODSSP Work | 22.05 |
| (i) | Other miscellaneous income | 18.83 |
| | **Total other Income** | 164.27 |

As shown in the above table the provision for written back has not been considered. After deduction of the the amount of Rs. 22.05 crore towards provision written back the miscellaneous revenue is calculated at Rs. 142.22 crore. However the Commission allows Rs. 146.06 Crore, as claimed, under the head miscellaneous revenue. In the ARR for FY 2018-19 the Commission had allowed Rs. 116.77 crore under this head. Therefore the Commission now approves a surplus of Rs. 29.29 crore under the head miscellaneous revenue in this truing up exercise.

**Transmission Charges**

99. The petitioner submitted that the Commission approved total ARR of Rs.659.95 Cr. in the Transmission Tariff Order for FY 2018-19 to be recovered from LTOA customers. As per the audited accounts for FY 2018-19, the revenue from transmission charges recovered from the LTOA are as under (Note-27):

| Sl. No. | Narration | Rs. Cr. |
|---|---|---|
| 1 | Transmission Charges from four DISCOMs | 633.82 |
| 2 | Wheeling Charges from CGP/Industries (NALCO & IMFA) | 9.45 |
| | **TOTAL** | **643.27** |

100. The petitioner therefore submitted that the Commission may consider Rs.643.27 Cr. in truing up for the FY 2018-19. The shortfall amount under this head is Rs.16.68 Cr. (659.95-643.27).

101. The Commission have analysed the audited accounts and found that the Income from the operations as on 31.03.2019 stands at Rs. 713.84 crore. The Commission in the tariff

order for FY 2018-19 allowed Rs. 659.95 crore, therefore there accrues a surplus of Rs. 53.89 crore taken into consideration for this truing up exercise.

**SLDC Development Fund**

102. The petitioner submitted that the Commission while approving the Annual Revenue Requirement and Fees and Charges for State Load Despatch Centre (SLDC) for FY 2018-19 vide order dated 22.03.2018 in Case No. 78/2017 has observed in Para 138 to Para-142 as under:

*"Based on the provisions in CERC Regulation, 2009 & Regulation-8 of OERC Regulation, 2010, the Commission vide Para-213 of the Order dated 20.03.2010(i.e. Case No. 146/2009 in the matter of application of the OPTCL for approval of Annual Revenue Requirement and Fees and Charges for State Load Despatch Centre (SLDC) for FY 2010-11.) approved to create a separate fund namely "SLDC Development Fund" under a separate head of account under SLDC. SLDC Development Fund has already been established under SLDC with effect from 01.04.2010"*

Further, Para 214 of the above referred Order dated 20.03.2010 stipulates that the entire balance amount approved in SLDC ARR for FY 2009-10 and remaining unspent as on 31.03.2010 shall be transferred and deposited in the aforesaid "SLDC Development Fund".

103. Para-139

*The accumulated cash balance in SLDC Development Fund has been shown by SLDC at Rs.35.09 Crore as at the end of 2016-17.*

104. Para-140

*The miscellaneous income of SLDC such as Registration Fee, Application Fee, Short Term Open Access Charges, etc. during FY 2018-19 shall be deposited in the SLDC Development Fund as per Regulation 8 of OERC (Fees & Charges of SLDC and other related matters) Regulation, 2010.*

105. Para-141

*SLDC shall be entitled to utilize the money from SLDC Development Fund as usual in assets creation and margin money for raising loan from FIs for assets creation & funding of R&D Projects, if any, relating to Odisha Power System with the necessary approval of the Commission.*

106. The petitioner stated that as per the above order dated 22.03.2018 in the Case No.78/2017, any surplus derived from the SLDC operation are to be transferred to SLDC Development Fund. As submitted in Para 52 above, the accumulated cash balance in SLDC Development Fund at the end of the FY 2017-18 is Rs.47.02 Cr. including Rs.12.59 Cr. towards interest earned for the investments of this fund (Note-20 of Audited Accounts). The year wise breakup as per the audited accounts are as under:-

**(Rs. in Cr.)**

| YEAR | Opening Balance | Transfer from Retained Earning | Interest Received from Investment | Closing Balance |
|---|---|---|---|---|
| 2011-12 | | 10.30 | | 10.30 |
| 2012-13 | 10.30 | 3.74 | 1.08 | 15.12 |
| 2013-14 | 15.12 | 3.26 | 1.57 | 19.95 |
| 2014-15 | 19.95 | 1.87 | 2.05 | 23.87 |
| 2015-16 | 23.87 | 3.32 | 2.31 | 29.50 |
| 2016-17 | 29.50 | 2.72 | 2.87 | 35.09 |
| 2017-18 | 35.09 | 9.22 | 2.71 | 47.02 |
| 2018-19 | 47.02 | 3.70 | 3.26 | 53.98 |
| **TOTAL** | | **38.13** | **15.85** | |

107. The petitioner submitted that while conducting the truing up exercise of OPTCL Transmission Charges approved vis-à-vis Audited Accounts, the Commission has always grossed up both revenue generated and expenditure made from the SLDC transactions. As a result the SLDC Development Fund created from the SLDC operation amounting to **Rs. 38.13 Cr**. as shown in the Table above has been trued up against the transmission charges and added in the net surplus as calculated by the Commission.

108. The petitioner submitted that since the funds are created from the SLDC operation and being utilized for assets creation and margin money for raising loan from FIs for assets creation & funding of R&D Projects, if any, relating to Odisha Power System with the necessary approval of the Commission, it is not prudent to adjust the same with transmission charges. The Commission while disposing of the true up application for FY 2017-18 observed as under:-

*"49. The Commission on such submission by the OPTCL , observes that since SDLC has not been ring fenced from the OPTCL , it is not maintaining separate books of accounts required for corporatized entity. All the expenditure and revenue of SLDC is being still booked under the books of OPTCL. It is not possible under the Regulation to consider any separate treatment for SLDC expenses in truing up. This prayer of OPTCL is therefore cannot be accommodated now."*

109. The petitioner submitted that the ARR of the SLDC filed the application for approval of Annual Revenue Requirement and Fees & Charges for SLDC for FY 2018-19 was prepared in line with the provision mentioned in the CERC (Fees & Charges of RLDC & other related matters) Regulations, 2009, OERC (Fees & Charges of SLDC & other related matters) Regulations, 2010.

110. The petitioner stated that the OPTCL recognized SLDC as a cost center and disclosed the information at Note-34 under segment reporting in accordance with Ind AS 108.

Therefore, the observation of not maintaining separate books of accounts of SLDC is not true. As per the books of accounts maintained by OPTCL the figures towards OPTCL activities and SLDC activities can be segregated and provided. Further, it is submitted that Investment of Rs.47.50 crore has been made in the shape of term deposits with various banks matching to the SLDC development fund.

111. The petitioner stated that the OERC (Terms and Conditions for Determination of Transmission Tariff) Regulation,2014 does not contain any amount of SLDC activities, hence the True up of Transmission Tariff charges should not include the items of OERC (Fees & Charges of SLDC & other related matters) Regulations, 2010.

112. The petitioner stated that considering the above the Commission may not consider the amount of Rs.38.13 Cr. transferred to SLDC Development Fund up to FY 2018-19 against the Transmission Charges and reduce the net surplus accordingly.

113. The Commission have analysed this submission of the petitioner and observes that the Commission has taken a view regarding SLDC operations which are yet to be separated from the OPTCL with segregated books of account. The SLDC is yet to be ring fenced as per the earlier orders of the Commission. The Commission holding the same view is not inclined to agree to such submission.

114. The petitioner further stated that the Commission while disposing of the true up application for the FY 2017-18 observed as under:

"*42. The Commission after scrutiny of the other income as shown in the audited accounts allows deducting following amounts from the other income*. xxxxxxx

**Miscellaneous Receipts(Approved.)**

**(Rs. in Cr.)**

| | |
|---|---|
| Interest Income from | |
| - Bank Deposit | 34.58 |
| - Loans to employees and suppliers | 1.90 |
| - Advance to suppliers | 0.01 |
| - Interest on Income tax return | 0.58 |
| Deferred income for Government Grant. | |
| **Deferred income for assets received from customer** | **66.49** |
| Net gain(loss) on disposal of property, plant and equipment | 6.77 |
| Provision written back | |
| Employee Trust Provision Withdrawn | |
| Writing Back of provision Liabilities | |
| Supervision charges of ODSSP Work(1/3$^{rd}$ of rs.29.31 Cr.) | 9.77 |
| Other miscellaneous income | 17.60 |
| **Total other Income** | **137.70** |

115. **Petitioner stated that from** the above table it is brought to the notice that Rs. 66.49 crore towards Deferred income for assets received from customer may not be considered in true up as this has already been adjusted against the depreciation. Therefore, the total other Income should be Rs. 71.21 Cr (137.70-66.49).

116. The petitioner therefore submitted that the Commission may consider the component wise surplus/shortfall for carrying out the truing up of ARR for FY 2018-19. The net shortfall in that case would be **Rs.145.55 Cr**. as worked out in the Table below:

**Abstract of Truing Up for the FY 2018-19**

**(Rs. Cr.)**

| **Particulars / Year** | **OERC Approval** | **Actual as per Audited Accounts** | **Truing up** | **Surplus/ (Deficit)** |
|---|---|---|---|---|
| **Expenditure** | | | | |
| **A.** Employee Cost (Net) | 360.40 | 376.77 | 370.23 | -9.83 |
| **B.** R & M Cost | 111.00 | 115.13 | 115.13 | -4.13 |
| **C.** A & G Cost (Including SLDC and GCC) | 27.58 | 37.37 | 37.37 | -9.79 |
| **Sub-Total (A+B+C)** | **498.98** | **529.27** | **522.73** | **-23.75** |
| **D**. Depreciation | 145.43 | 177.23 | 177.23 | -31.80 |
| **E.** Interest on long-term liability | 40.20 | 61.19 | 61.19 | -20.99 |
| **F.** Rebate | 13.20 | 13.00 | 13.00 | 0.20 |
| **G.** Incentive for system availability | 5.00 | - | 5.00 | - |
| **Sub-Total (A to G)** | **702.81** | **780.69** | **779.15** | **-76.34** |
| **H.** Return on Equity | 69.75 | - | 113.15 | -43.40 |
| **I.** Income tax | 4.16 | 8.15 | 8.15 | -3.99 |
| **Grand Total (A to I)** | **776.72** | **788.84** | **900.45** | **-123.73** |
| ***Less:*** *Inter-state wheeling & Misc. Revenue* | 116.77 | 157.91 | 146.06 | 29.29 |
| **Net Transmission Cost** | **659.95** | **630.93** | **754.39** | **-90 .45** |
| Revenue from Transmission Charges | 659.95 | 643.27 | 643.27 | -16.68 |
| **Difference to be allowed in truing up (FY 2018-19)** | | | | -111.12 |
| **Add :-SLDC Development fund written back** | | | | -34.43 |
| **Net Shortfall** | | | | **-145.55** |

117. The petitioner submitted that considering their petition the summary of truing up exercise of OPTCL for different years would be as shown in the following table:

| **FY** | **Cost of Trans. Charges approved in the ARR** | **Cost of Trans. Charges (audited) considered for true up** | **Revenue from LTOA charges approved in ARR** | **Revenue from LTOA Charges (audited)** | **Revenue from LTOA Charges (True up)** | **Difference in Trans. Charges (Col 2-3)** | **Difference in Revenue from LTOA charges (Col 6-4)** | **Total Difference Considered for True up** | **Cumulative True up** |
|---|---|---|---|---|---|---|---|---|---|
| **1** | **2** | **3** | **4** | **5** | **6** | **7** | **8** | **9** | **10** |
| 2006-07 | 333.27 | 323.01 | 333.27 | 355.34 | 355.34 | 10.26 | 22.07 | 32.33 | 32.33 |
| 2007-08 | 373.73 | 334.70 | 373.73 | 399.76 | 399.76 | 39.03 | 26.03 | 65.06 | 97.39 |
| 2008-09 | 376.57 | 308.07 | 376.57 | 678.93 | 413.15 | 68.50 | 36.58 | 105.08 | 202.47 |
| 2009-10 | 394.15 | 375.68 | 394.15 | 305.16 | 438.06 | 18.47 | 43.91 | 62.38 | 264.85 |
| 2010-11 | 480.93 | 431.90 | 480.93 | 405.19 | 538.08 | 49.03 | 57.15 | 106.18 | 371.03 |
| 2011-12 | 572.50 | 541.02 | 572.50 | 570.54 | 570.54 | 31.48 | -1.96 | 29.52 | 400.55 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2012-13 | 587.02 | 506.10 | 587.02 | 549.73 | 549.73 | 80.92 | -37.29 | 43.63 | 444.18 |
| 2013-14 | 585.87 | 568.21 | 585.87 | 598.89 | 598.89 | 17.66 | 13.02 | 30.68 | 474.86 |
| 2014-15 | 624.50 | 639.73 | 624.50 | 634.34 | 634.34 | -15.23 | 9.84 | -5.39 | 469.47 |
| 2015-16 | 630.93 | 613.17 | 630.93 | 613.48 | 613.48 | 17.76 | -17.45 | 0.31 | 469.78 |
| 2016-17 | 623.25 | 551.19 | 623.25 | 665.31 | 665.31 | 72.06 | 42.06 | 114.12 | 583.90 |
| 2017-18 | 639.40 | 644.99 | 639.40 | 625.15 | 625.15 | -5.59 | -14.25 | -19.84 | 564.06 |
| Less:- Amount adjusted as per ARR of FY 2015-16 | | | | | | | | | 427.81 |
| Total Truing up as on 2017-18 | | | | | | | | | 136.25 |
| 2018-19 | 659.95 | 754.39 | 659.95 | 643.27 | 643.27 | -94.44 | -16.68 | -111.12 | 25.13 |
| Less:- SLDC Development Fund written back | | | | | | | | -34.43 | -9.30 |
| Less:- Less Depreciation allowed in FY 2016-17 | | | | | | | | -18.76 | -28.06 |
| Less:- Less Depreciation allowed in FY 2017-18 | | | | | | | | -29.44 | -57.50 |
| Less:- Deferred income for assets received from customer for FY 2017-18 included in Miscellaneous Income | | | | | | | | -66.49 | -123.99 |
| Less:- Surplus as on 31.03.2017 adjusted in ARR 2019-20 | | | | | | | | -57.00 | -180.99 |

118. The commission having analysed each component of the expenses approves the expenses in the truing up for 2018-19 as summarized in the following table:

| Particulars | OERC approval in ARR OF 2018-19 | Actual as per audited accounts | True up proposed by OPTCL | True up approved by the Commission | Surplus/ Deficit | Reference |
|---|---|---|---|---|---|---|
| A. Employee Cost (Net) | | | | | | |
| Employee Cost | 370.24 | 392.78 | 386.24 | 386.24 | -16.00 | |
| **Less:** Capitalization | 9.84 | 16.01 | 16.01 | 16.01 | -6.17 | |
| Employee Cost | **360.40** | **376.77** | **370.23** | **370.23** | **-9.83** | Para 43 |
| B. R&M cost | 111.00 | 115.13 | 115.13 | 115.13 | -4.13 | Para 49 |
| C. A&G cost (including SLDC & GCC) | 26.44 | 37.37 | 37.37 | 26.44 | 0.00 | Para 61 |
| **Sub-total (A+B+C)** | **497.84** | **529.27** | **522.73** | **511.80** | **-13.96** | |
| D. Depreciation | 145.43 | 177.23 | 177.23 | 145.43 | 0.00 | Para77 |
| E. Interest on long-term liability | 40.20 | 61.19 | 61.19 | 37.69 | 2.51 | Para 81 |
| F. Rebate | 13.20 | 13.00 | 13.00 | 13.00 | 0.20 | Para 84 |
| G. Incentive for system availability | 5.00 | | 5.00 | 5.00 | 0.00 | Para 85 |
| **Sub-total (A to G)** | **701.67** | **780.69** | **779.15** | **712.92** | **-11.25** | |
| H. Income Tax | 4.16 | 8.15 | 8.15 | 8.15 | -3.99 | Para 93 |
| I. Return on Equity | 69.75 | | 113.15 | 113.15 | -43.40 | Para 89 |
| J. GCC Expenses including SLDC Charges | 1.14 | | | | | |
| **Grand Total (A to J)** | **776.72** | **788.84** | **900.45** | **834.22** | **-57.50** | |
| **Less:** Misc. Revenue/ other Income | 116.77 | 164.27 | 146.06 | 146.06 | 29.29 | Para 98 |
| **Net Transmission Cost** | **659.95** | **624.57** | **754.39** | **688.16** | -28.21 | |
| **Revenue from Operation** | 659.95 | 713.84 | 643.27 | **713.84** | 53.89 | |
| **Net Total** | | | | | 25.68 | |

119. Accordingly the summary of the truing up over the years including this truing up for FY 2018-19 is given as follows:

| FY | Cost of Trans. Charges approved in the ARR | Cost of Trans. Charges (audited) considered for true up | Revenue from LTOA charges approved in ARR | Revenue from LTOA Charges (audited) | Revenue from LTOA Charges (True up) | Difference in Trans. Charges (Col 2-3) | Difference in Revenue from LTOA charges (Col 6-4) | Total Difference Considered for True up | Cumulative True up |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 2006-07 | 333.27 | 323.01 | 333.27 | 355.34 | 355.34 | 10.26 | 22.07 | 32.33 | 32.33 |
| 2007-08 | 373.73 | 334.7 | 373.73 | 399.76 | 399.76 | 39.03 | 26.03 | 65.06 | 97.39 |
| 2008-09 | 376.57 | 308.07 | 376.57 | 678.93 | 413.15 | 68.5 | 36.58 | 105.08 | 202.47 |
| 2009-10 | 394.15 | 375.68 | 394.15 | 305.16 | 438.06 | 18.47 | 43.91 | 62.38 | 264.85 |
| 2010-11 | 480.93 | 431.9 | 480.93 | 405.19 | 538.08 | 49.03 | 57.15 | 106.18 | 371.03 |
| 2011-12 | 572.5 | 541.02 | 572.5 | 570.54 | 570.54 | 31.48 | -1.96 | 29.52 | 400.55 |
| 2012-13 | 587.02 | 506.1 | 587.02 | 549.73 | 549.73 | 80.92 | -37.29 | 43.63 | 444.18 |
| 2013-14 | 585.87 | 568.21 | 585.87 | 598.89 | 598.89 | 17.66 | 13.02 | 30.68 | 474.86 |
| 2014-15 | 624.5 | 639.73 | 624.5 | 634.34 | 634.34 | -15.23 | 9.84 | -5.39 | 469.47 |
| 2015-16 | 630.93 | 613.17 | 630.93 | 613.48 | 613.48 | 17.76 | -17.45 | 0.31 | 469.78 |
| 2016-17 | 623.25 | 551.19 | 623.25 | 665.31 | 665.31 | 72.06 | 42.06 | 114.12 | 583.90 |
| 2017-18 | 639.4 | 644.99 | 639.4 | 625.15 | 625.15 | -5.59 | -14.25 | -19.84 | 564.06 |
| Adjusted amount as per ARR of FY 2015-16 | | | | | | | | | 427.81 |
| Total Truing up as on 2017-18 | | | | | | | | | 136.25 |
| 2018-19 | 659.95 | 688.16 | 659.95 | 713.84 | 713.84 | -28.21 | 53.89 | 25.68 | 161.93 |

120. The case is accordingly disposed of.

| Sd/- | Sd/- | Sd/- |
|---|---|---|
| **(G. Mohapatra)**<br>**Member** | **(S. K. Parhi)**<br>**Member** | **(U. N. Behera)**<br>**Chairperson** |